



**Governor's Budget Highlights
Fiscal Year 2013-14**

California Department of Public Health

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CALIFORNIA DEPARTMENT OF PUBLIC HEALTH PROGRAM OVERVIEW

The mission of the California Department of Public Health (CDPH) is to optimize the health and well-being of the people in California, primarily through population-based programs, strategies, and initiatives.

The CDPH's goals are to achieve health equities and eliminate health disparities; eliminate preventable disease, disability, injury, and premature death; promote social and physical environments that support good health for all; prepare for, respond to, and recover from emerging public health threats and emergencies; improve the quality of the workforce and workplace; and promote and maintain an efficient and effective organization. The CDPH is working toward these goals through its programmatic and operational support activities and in collaboration with local health departments and other organizations throughout the State.

CDPH comprises five Public Health Centers as well as Health Information and Strategic Planning, Emergency Preparedness Office, Administration, Office of Public Affairs, Office of Health Equity, and Office of Quality Performance and Accreditation.

GENERAL BUDGET OVERVIEW

The CDPH budget supports activities and services that reinforce the State's commitment to the health and well-being of all Californians. For Fiscal Year (FY) 2013-14, the Governor's Budget provides \$3.4 billion for the support of CDPH programs and services, a decrease of 0.95% from the 2012-13 Budget Act enacted on June 30, 2012. Of the amount approved, \$698.3 million is for State Operations and \$2.7 billion is for Local Assistance. The budget affirms CDPH's commitment to address the public health needs of Californians.

Total CDPH Budget

Dollars in thousands

| Governor's Budget Fund Source | 2012-13 Enacted Budget | 2012-13 Revised Budget | 2013-14 Proposed (Governor's Budget) | % Change from 2012-13 Enacted Budget |
|--|---------------------------------------|---------------------------------------|---|---|
| General Fund | 131,662 | 130,602 | 114,499 | -13.03% |
| Federal Funds | 1,983,110 | 2,009,497 | 2,014,498 | 1.58% |
| Special Funds & Reimbursements | 1,354,583 | 1,399,904 | 1,307,461 | -3.48% |
| Total Funds | 3,469,355 | 3,540,003 | 3,436,458 | -0.95% |

The charts below and the narrative that follows describe the specific budget adjustments.

State Operations

| State Operations by Program | | | | | |
|--------------------------------------|---------|------------------------|------------------------|--------------------------------------|--------------------------------------|
| Governor's Budget Program Title | Program | 2012-13 Enacted Budget | 2012-13 Revised Budget | 2013-14 Proposed (Governor's Budget) | % Change from 2012-13 Enacted Budget |
| Public Health Emergency Preparedness | 10 | 40,686 | 39,400 | 37,107 | -8.80% |
| Public and Environmental Health | 20 | 435,660 | 434,050 | 460,472 | 5.70% |
| Licensing & Certification | 30 | 195,958 | 195,628 | 200,704 | 2.42% |
| Administration | 40.01 | 32,736 | 32,298 | 33,789 | 3.22% |
| Distributed Administration | 40.02 | -32,736 | -32,298 | -33,789 | 3.22% |
| Total State Operations | | 672,305 | 669,078 | 698,283 | 3.86% |

| State Operations by Fund Source | | | | |
|---------------------------------|------------------------|------------------------|--------------------------------------|--------------------------------------|
| Governor's Budget Fund Source | 2012-13 Enacted Budget | 2012-13 Revised Budget | 2013-14 Proposed (Governor's Budget) | % Change from 2012-13 Enacted Budget |
| General Fund | 82,270 | 81,197 | 82,542 | 0.33% |
| Federal Funds | 253,621 | 252,302 | 264,105 | 4.13% |
| Special Funds & Reimbursements | 336,414 | 335,579 | 351,636 | 4.52% |
| Total State Operations | 672,305 | 669,078 | 698,283 | 3.86% |

Local Assistance

| Local Assistance by Program | | | | | |
|--------------------------------------|---------|------------------------|------------------------|--------------------------------------|--------------------------------------|
| Governor's Budget Program Title | Program | 2012-13 Enacted Budget | 2012-13 Revised Budget | 2013-14 Proposed (Governor's Budget) | % Change from 2012-13 Enacted Budget |
| Public Health Emergency Preparedness | 10 | 61,284 | 61,297 | 60,724 | -0.91% |
| Public and Environmental Health | 20 | 2,735,766 | 2,809,628 | 2,677,451 | -2.13% |
| Total Local Assistance | | 2,797,050 | 2,870,925 | 2,738,175 | -2.10% |

| Local Assistance by Fund Source | | | | |
|---------------------------------|------------------------|------------------------|--------------------------------------|--------------------------------------|
| Governor's Budget Fund Source | 2012-13 Enacted Budget | 2012-13 Revised Budget | 2013-14 Proposed (Governor's Budget) | % Change from 2012-13 Enacted Budget |
| General Fund | 49,392 | 49,405 | 31,957 | -34.17% |
| Federal Fund | 1,729,489 | 1,757,195 | 1,750,394 | 1.21% |
| Special Funds & Reimbursements | 1,018,169 | 1,064,325 | 955,824 | -6.12% |
| Total Local Assistance | 2,797,050 | 2,870,925 | 2,738,175 | -2.10% |

PROGRAMMATIC ADJUSTMENTS

The specific adjustments listed below reflect the major budgetary changes since the passage of the 2012 Budget Act. The major changes include Budget Change Proposals, November Estimates, and Section Letters.

References to “GF” are to the General Fund, “OF” refers to Other Funds including Special Funds, Federal Funds, and Reimbursements; and “TF” represents Total Funds.

I. Public Health Emergency Preparedness Program

The Public Health Emergency Preparedness Program coordinates preparedness and response activities across CDPH for all public health emergencies, including natural disasters, acts of terrorism, and pandemic diseases. The program plans and supports surge capacity in medical care and public health systems to meet needs during emergencies. The program administers federal and state funds that support CDPH's emergency preparedness activities. Major budget adjustments include:

2012-13 Budget Adjustments

No budget adjustment.

2013-14 Budget Adjustments

Limited Term Extension of Emergency Preparedness Positions

| | |
|----------------|----------------|
| 76.8 Positions | \$9,441,000 TF |
| | \$9,441,000 OF |

The Governor's Budget reflects an extension of 76.8 four year limited-term positions and associated expenditure authority of \$9.4 million for the Emergency Preparedness Office provided by the Federal Trust Fund. These positions which are placed across CDPH programs are a continuation of limited-term positions originally established in FY 2003-04.

II. Center for Chronic Disease Prevention and Health Promotion

The Center for Chronic Disease Prevention and Health Promotion comprises the Division of Chronic Disease and Injury Control and the Division of Environmental and Occupational Disease Control. The Center addresses the prevention and control of chronic disease and injury through a focus on the social and environmental determinants of health and health inequities. The Center's programs encompass chronic disease and injury surveillance, tobacco control, nutrition and physical activity, diabetes, cancer, cardiovascular diseases, asthma, obesity prevention, injuries and violence prevention, and, occupational and environmental disease control. Major budget adjustments include:

2012-13 Budget Adjustments

California Coordinated Cancer Prevention and Control Program

\$3,695,000 TF

\$3,695,000 OF

The Governor's Budget reflects an increase in federal expenditure authority of \$3.7 million in State Operations for the Coordinated Cancer Prevention and Control Program. The grant includes funds for the California Cancer Registry, Comprehensive Cancer Control Program, and for Management and Leadership coordination.

California Quitline Capacity

\$2,772,000 TF

\$2,772,000 OF

The Governor's Budget reflects an increase in federal expenditure authority of \$2.8 million from the 2012 Affordable Care Act funds for the California Tobacco Control Program. It includes \$165,000 in State Operations and \$2.6 million in Local Assistance. The local assistance funds will be provided for the California Smoker's Helpline to enhance its capacity for Quitline operations and to help meet the increased demand for individuals seeking help to quit smoking.

California Nutrition, Physical Activity, and Obesity Program – Breastfeeding Supplemental Grant

\$505,000 TF

\$505,000 OF

The Governor's Budget reflects an increase in federal expenditure authority of \$505,000 for the California Obesity Prevention Program (COPP). This supplemental grant includes \$74,000 in State Operations and \$431,000 in Local Assistance to support COPP's Breastfeeding Promotion and Support Activities.

2013-14 Budget Adjustments

Division of Environmental and Occupational Disease Control Contract Conversion

11.0 Positions

-\$48,000 TF

-\$48,000 OF

The Governor's Budget reflects a conversion of 11.0 contract staff to state staff in the Division of Environmental and Occupational Disease Control (DEODC) for a savings of \$48,000 in State Operations. The savings will be \$20,000 in the Occupational Lead Poisoning Prevention Account (Fund 0070), and \$14,000 each in the Research Account and Unallocated Account of Cigarette and Tobacco Products Surtax Fund (Funds 0234 and 0236). This conversion will enhance state institutional capacity and help retain knowledge and skills within state staff.

Proposition 99 Health Education Account (HEA)

\$2,808,000 TF
\$2,808,000 OF

The Governor's Budget reflects a total increase of \$2.8 million in Proposition 99 Health Education Account (Fund 0231) funding to the California Tobacco Control Program. This includes increases to Local Assistance appropriations for Media Campaign of \$1,386,000 and Competitive Grants of \$522,000. It also includes increases to State Operations appropriations for Competitive Grants of \$800,000 and for Evaluation of \$100,000.

III. Center for Infectious Diseases

The Center for Infectious Diseases comprises the Division of Communicable Disease Control, the Office of AIDS, and the California Office of Binational Border Health. The Center oversees the investigation, prevention, and control of infectious diseases and the assessment, prevention, and interruption of the transmission of HIV and the provision of services to HIV-infected Californians. Major budget adjustments include:

2012-13 Budget Adjustments

California Immunization Registry – Vaccine Ordering Integration

\$594,000 TF
\$594,000 OF

The Governor's Budget reflects an increase in federal expenditure authority of \$594,000 in Local Assistance for the Center for Infectious Diseases. This appropriation will allow the Immunization Branch to utilize the funds to integrate online ordering for Vaccine For Children (VFC) providers into the Immunization Information Systems (IIS), and help complete a one-year federally-funded project whose goal is to integrate online vaccine ordering into the California Immunization Registry (CAIR).

California Immunization Registry – Vaccine Storage and Handling Project

\$234,000 TF
\$234,000 OF

The Governor's Budget reflects an increase in federal expenditure authority of \$234,000 in Local Assistance for the Center for Infectious Diseases. This appropriation will allow the Immunization Branch to utilize the funds to begin the implementation of storage and handling projects to improve storage and handling practices in Vaccines for Children (VFC) provider offices. Recent federal guidelines from the Centers for Disease Control and Prevention (CDC) recommend improving methods by which the public and private sector store and handle vaccines nationwide.

AIDS Drug Assistance Program (ADAP) November Estimate

\$20,198,000 TF
\$20,198,000 OF

The November Estimate reflects a current year net increase in ADAP funding of \$20.2 million compared to the 2012 Budget Act. This comprises an increase of \$7.9 million in ADAP Rebate Fund (Fund 3080) and an increase of \$12.3 million in Federal Trust Fund. The Center for Infectious Diseases' Office of AIDS (OA) receives funds through the Ryan White Part B grant to support the AIDS Drug Assistance Program (ADAP). This Local Assistance funding is a major source for direct prescription dispensing activities which will allow ADAP to adequately address the serious health needs of a vulnerable population of HIV-infected individuals throughout California, a population whose numbers continue to climb. CDPH is not requesting any changes to the General Fund in the current year.

2013-14 Budget Adjustments

AIDS Drug Assistance Program (ADAP) November Estimate

- \$12,710,000 TF
- \$16,875,000 GF
\$4,165,000 OF

The November Estimate reflects a budget year net decrease in ADAP funding of \$12.7 million. This is the result of a General Fund decrease of \$16.9 million, and an increase of \$4.2 million which is comprised of an ADAP Rebate Fund (Fund 3080) decrease of \$36.6 million, Federal Trust Fund decrease of \$8.4 million and Reimbursements increase of \$49.2 million. The total decrease is primarily due to savings achieved through the movement of ADAP clients into Low Income Health Plan (LIHP), and the movement of ADAP clients to other payer sources due to the implementation of the Affordable Care Act.

IV. Center for Family Health

The Center for Family Health is comprised of the Genetic Disease Screening Program (GDSP); Maternal, Child and Adolescent Health (MCAH) Program; and the Women, Infants and Children (WIC) Supplemental Nutrition Program. Major budget adjustments include:

2012-13 Budget Adjustments

Genetic Disease Screening Program (GDSP) November Estimate

-\$18,000 TF
-\$18,000 OF

The November Estimate reflects a decrease of \$18,000 in Local Assistance expenditure authority in the Genetic Disease Testing Fund (Fund 0203) compared to the 2012

Budget Act. The current year budget remains at \$87.7 million—slightly below the \$87.8 million in Budget Act. The GDSP Estimate projects the Newborn Screening caseload as well as the Prenatal Screening caseload to remain stable as the birth rate now remains fairly constant.

2013-14 Budget Adjustments

Genetic Disease Screening Program (GDSP) November Estimate

- \$2,000 TF
- \$2,000 OF

The November Estimate reflects a decrease of \$2,000 in Local Assistance expenditure authority in the Genetic Disease Testing Fund (Fund 0203) compared to the 2012 Budget Act. The GDSP Estimate projects the Newborn Screening caseload as well as the Prenatal Screening caseload to remain stable as the birth rate is projected to remain fairly constant.

Women, Infants and Children (WIC) November Estimate

\$37,466,000 TF
\$37,466,000 OF

The November Estimate reflects an increase for budget year Local Assistance expenditure authority of \$37.5 million for the WIC Program compared to the 2012 Budget Act. Of this amount, \$35.5 million is in the Federal Trust Fund and \$2.0 million in the WIC Manufacturer Rebate Fund (Fund 3023). The increased expenditures are primarily due to an increase in projected caseload and anticipated food cost inflation.

V. Health Information and Strategic Planning

Health Information and Strategic Planning disburses and monitors funds to counties for specified health services; and coordinates and oversees the collection, management, and dissemination of public health and vital records data. Major budget adjustments include:

2012-13 Budget Adjustments

No budget adjustment.

2013-14 Budget Adjustments

No budget adjustment.

VI. Center for Environmental Health

The Center for Environmental Health comprises the Division of Food, Drug and Radiation Safety and the Division of Drinking Water and Environmental Management. The Center administers programs that protect the public from unsafe drinking water; regulate the generation, handling, and disposal of medical waste; oversees the disposal

of low-level radioactive waste; and protects and manages food, drug, medical device, and radiation sources. Major budget adjustments include:

2012-13 Budget Adjustments

No budget adjustment.

2013-14 Budget Adjustments

Export Document Program

| | |
|---------------|--------------|
| 3.0 Positions | \$287,000 TF |
| | \$287,000 OF |

The Governor's Budget reflects an increase of 3.0 positions for the Export Document Program and an associated increase of \$287,000 in State Operations expenditure authority from the Export Document Program Fund (Fund 0082) to meet the statutorily mandated activities which require the Food and Drug Branch to respond to each request for issuance of an export document within five days of receipt of the request.

Recycled Water Program

| | |
|---------------|--------------|
| 3.0 Positions | \$700,000 TF |
| | \$700,000 OF |

The Governor's Budget reflects an increase of 3.0 one-year limited-term positions and \$700,000 in State Operations expenditure authority from Reimbursements to support an Interagency Agreement between CDPH and State Water Resources Control Board to develop and adopt water recycling criteria for indirect potable reuse of recycled water through ground water recharge and surface water augmentation. The proposal also includes convening of an expert panel to review and make a finding on the criteria for the indirect potable reuse using surface water augmentation.

Proposition 50 – Local Assistance Funding

| | |
|--|-----------------|
| | \$22,000,000 TF |
| | \$22,000,000 OF |

The Governor's Budget reflects an increase of \$22 million in Local Assistance expenditure authority pursuant to Proposition 50, Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Fund 6031). The Proposition 50 program provides grants to public water systems from funding sources that support specific projects such as water security, reducing reliance on Colorado River water, source water protection, and treatment for disinfection products, demonstration treatment studies, and water quality monitoring.

Proposition 84 – Local Assistance Funding

\$48,000,000 TF
\$48,000,000 OF

The Governor's Budget reflects an increase of \$48 million in Local Assistance expenditure authority pursuant to Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 (Fund 6051). The Proposition 84 program provides grants and loans to public water systems to prevent or reduce contamination of groundwater that serves as a source of drinking water.

Retail Tobacco Sales: STAKE Act – Assembly Bill 1301

1.0 Position \$129,000 TF
\$129,000 OF

The Governor's Budget reflects an increase of 1.0 position and associated State Operations expenditure authority of \$129,000 for the Stop Tobacco Access to Kids Enforcement (STAKE) Program to meet the expected increase in appeals for STAKE Act violations due to the implementation of mandated provisions specified in Assembly Bill (AB) 1301 (Hill, Chapter 335, Statutes of 2012). The Bill requires CDPH to notify the Board of Equalization of a third, fourth, or fifth STAKE Act violation committed by the same retailer within a five-year period. The funding is provided from the Sale of Tobacco to Minors Control Account (Fund 0066).

VII. Center for Health Care Quality

The Center for Health Care Quality comprises Licensing and Certification (L&C) and Healthcare Associated Infections (HAI) Program. The Center regulates the quality of care in public and private health facilities, clinics, and agencies; licenses nursing home administrators; certifies home health aides, certified nurse assistants, and other direct care staff; and provides data and reports on infections in California acute care hospitals. Major budget adjustments include:

2012-13 Budget Adjustments

No budget adjustment.

2013-14 Budget Adjustments

Licensing and Certification (L&C) Program November Estimate

\$1,400,000 TF
\$1,400,000 OF

The L&C November Estimate reflects a total increase in State Operations expenditure authority of \$1.4 million. Of this amount, \$1.2 million is from the Internal Departmental Quality Improvement Account (Fund 0942-222) for the Healthcare Associated Infections

(HAI) Program and \$200,000 in Reimbursements from the Department of Healthcare Services for the STAR Branch.

VIII. Additional CDPH Issues

2012-13 Budget Adjustments

Building Resilience Against Climate Effects

\$165,000 TF

\$165,000 OF

The Governor's Budget reflects an increase of \$165,000 in federal expenditure authority in State Operations for the Office of Health Equity based on the Building Resilience Against Climate Effects (BRACE) grant from Centers for Disease Control and Prevention (CDC). The grant will support the development of responses to climate and weather related health impacts through the five steps of BRACE which include Forecasting Climate Impacts and Assessing Vulnerabilities, Projecting the Disease Burden, Assessing Public Health Interventions, Developing and Implementing a Climate and Health Adaptation Plan, and Evaluating Impacts and Improving the Quality of Activities.

2013-14 Budget Adjustments

Alcohol and Drug Programs Transfer to California Department of Public Health

4.0 Positions

\$3,653,000 TF

\$3,653,000 OF

The Governor's Budget reflects the transfer of 4.0 positions and \$3.7 million in expenditure authority from the Department of Alcohol and Drug Programs (ADP) to CDPH for the Office of Problem Gambling (OPG). The OPG will be placed in the Center for Chronic Disease Prevention and Health Promotion. Of the \$3.7 million total amount, \$3.4 million is being transferred from the Indian Gaming Special Distribution Fund (Fund 0367), \$158,000 from the Gambling Addiction Program Fund (Fund 3110), and \$120,000 from Reimbursements. The ADP is being eliminated, and its functions are being transferred to various departments including CDPH. This transfer is reflective of the planned reorganization of activities within the California Health and Human Services Agency.

Problem Gambling Treatment Services Program

2.0 Positions

\$5,000,000 TF

\$5,000,000 OF

The Governor's Budget reflects the transfer of 2.0 two year limited-term positions and expenditure authority of \$5 million from ADP to CDPH for the Office of Problem Gambling. Of this \$5 million amount from the Indian Gaming Special Distribution Fund (Fund 0367), \$1 million is for State Operations and \$4 million for Local Assistance.

CalFresh Outreach Plan: Transfer of Positions from CDPH to California Department of Social Services (CDSS)

-3.8 Positions

-\$384,000 TF

-\$384,000 OF

The Governor's Budget reflects the transfer of 3.8 positions from CDPH CalFresh Outreach Plan to CDSS and a reduction of associated reimbursement authority of \$384,000. This would transfer the operational management of CalFresh Outreach Plan to CDSS. Currently, CDSS contracts with CDPH via an Interagency Agreement and provides funding through reimbursements.

Zero-Base Budgeting

CDPH was one of four departments selected to pilot zero-base budgeting (ZBB) for FY 2013-14. The ZBB approach differs significantly from traditional budgeting. Whereas in traditional budgeting a department incrementally builds upon its prior year budget by either adding or subtracting funds from existing programs, in zero-base budgeting, the department builds its budget from the ground up, reassessing how it currently spends and allocates resources within each program.

The Department began the process of implementing zero-base budgeting for three of its programmatic areas: (1) contracting functions, (2) the Baby BIG program, and the (3) Women, Infants and Children program. Initial findings from these efforts will be provided in early February 2013. This represents the first phase of implementing zero-based budgeting throughout CDPH.